

PERU

SECTOR: Social

PROJECT NAME: Program in Support of the *Fondo Nacional de Compensación y Desarrollo Social (FONCODES II)* (931/OC-PE)

TOTAL COST: \$430 million

FINANCING:

IDB	\$150 million
OTHER	\$150 million (World Bank)
LOCAL	\$130 million

DATE OF APPROVAL: June 19, 1996

GENERAL DESCRIPTION: The objective is to improve the quality of life of the poorest and most vulnerable segments of the population by financing small projects presented by organized communities.

The program will have the following components:

- (a) social support and infrastructure projects which focus on primary education, basic health care services, responsible parenthood, clean water supply, and sewerage and environmental sanitation systems;
- (b) economic infrastructure projects, which comprise projects for basic road infrastructure, rural electrification, small irrigation systems, the construction or improvement of artesian wells, land reclamation, afforestation and reforestation, and basic marketing infrastructure;
- (c) production development projects, under which financing will be

NOTE: Inquiries should be directed to the executing agency. The IDB does not purchase goods and services for the projects it finances. Procurement is the exclusive responsibility of borrowers of IDB funds.

In general, borrowers in the public sector are required, under IDB loan contracts, to procure goods and services through open international competitive bidding. Although contracts under \$350,000 are exempt from this requirement for reasons of economy and efficiency, there are no restrictions placed on the participation of firms from all IDB member countries to provide goods and services whenever the Bank's foreign exchange is used.

granted for small production projects both for subsistence forming and to generate income for the beneficiaries; (d) development project packages (PADs), designed for financing (in a single locality) of package of mutually complementary projects that can optimize the use of natural resources in the locality; and (e) institutional strengthening and community management, which comprises support for the decentralization of FONCODES, equipment for the central and branch offices, and a training plan for FONCODES personnel and the beneficiary communities.

CONSULTANTS:

Consultants will be hired to provide technical assistance in terms of decentralizing the executing agency; as well as training in institutional management, techniques and instruments for operations management, decentralization, administrative techniques and data processing for approximately 300 FONCODES personnel. Experts will be hired to conduct external audits of FONCODES and the project.

GOODS & EQUIPMENT:

Vehicles will be purchased for branch offices of FONCODES

CIVIL WORKS:

Small-scale infrastructure works include: (a) the construction and improvement of classrooms and health posts; (b) the construction and expansion of small water and sewer systems; (c) minor road works; (d) small electrification works; (e) land rehabilitation; (f) irrigation systems; and (g) commercial infrastructure works.

EXECUTING AGENCY:

Fondo Nacional de Compensación y Desarrollo Social
(FONCODES)
Paseo de la República No. 3101
San Isidro
Lima, Perú
Tel: (511) 421-7944
Fax: (511) 421-7698